

February 10, 2012

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System ("Board")
20th Street & Constitution Ave., NW
Washington, DC 20551

The Honorable John G. Walsh
Acting Comptroller of the Currency ("OCC")
Department of the Treasury
250 E St, SW, Mail Stop 2-3
Washington, DC 20219

The Honorable Martin J. Gruenberg
Acting Chairman
Federal Deposit Insurance Corporation ("FDIC")
550 17th St., NW
Washington, DC 20429

The Honorable Mary L. Schapiro
Chairman
Securities & Exchange Commission ("SEC")
100 F St., NE
Washington, DC 20549-1090

Dear Sirs and Madam:

RE: Restrictions on Proprietary Trading and Certain Interests in and Relationships with Hedge Funds and Private Equity Funds (FRS Docket No. R-1432 & RIN 7100 AD 82; OCC Docket ID OCC-2011-14; FDIC RIN 3064-AD 85; SEC File Number S7-41-11).

Dear Sirs and Madam:

I am life insurance professional who sometimes assists banking entities in investing in bank owned life insurance ("BOLI") as a financing or cost-recovery vehicle for employee benefits.

Based on my experience in this arena, I think the OCC, FDIC, Board, and SEC ("the Agencies") have made a compelling case for incorporating sound and prudent guidance on BOLI into proposed rules implementing restrictions imposed by the Dodd Frank Act of 2010 on hedge funds and private equity funds.

The proposed rules correctly point out: (1) that "when made in the normal course," BOLI "investments do not involve the speculative risk intended to be addressed" by provisions of the Dodd-Frank legislation; and (2) BOLI "helps banking agencies reduce the cost of providing employee benefits as well as other costs."

While Section __.14 of the Agencies' proposed rules ("Covered fund activities and investments determined to be permissible") notes that certain BOLI separate accounts fall within the definition of "hedge fund" or "private equity fund," it makes it very clear that it is permissible for banking entities to acquire or retain an ownership interest in or sponsor such BOLI separate accounts by meeting et rigorous conditions to ensure that such activity promotes the safety and soundness of the banking entities and the financial stability of the United States: These conditions include requirements that banking entity that purchases the BOLI policy:

- (i) may not control the investment decisions regarding the underlying assets or holdings of the separate account; and
- (ii) must hold its ownership interests in the separate account in compliance with applicable supervisory guidance provided by the appropriate Federal regulatory agency regarding BOLI.

Existing interagency guidance cited in the proposed rule imposes extensive requirements and oversight, including thorough pre-purchase and ongoing analysis and monitoring, taking into account a variety of considerations, risks, and alternatives.

For the reasons above, I believe that Agencies have provided appropriate clarification with respect to BOLI, and urge that any final rule that may be adopted affirms this clarification as currently proposed.

Sincerely,

Charles Hicks